



## LGIM invests £268m in Moray East's transmission asset

### LGIM is largest investor committing capital to fund Moray East Wind Farm's cable connection

**5 March 2024** – Legal & General Investment Management's (LGIM's) Private Credit platform has committed £268m of inflation-linked, long-term financing to support the acquisition of the Moray East OFTO (offshore transmission owner) transmission assets by Amber Infrastructure advised, International Public Partnerships (INPP). Investing on behalf of Legal & General Retirement Institutional (LGRI), LGIM represented the only institutional investor alongside a consortium of banks and is the largest investor within the transaction.

Consisting of 100 turbines, Moray East offshore wind farm has a capacity of 950MW and is located 22km from the Aberdeenshire, Scotland coast in the Moray Firth. The Moray East OFTO assets comprise of onshore and offshore substations with cables connecting the offshore wind farm to the mainland grid network – transmitting enough energy to power 1.4 million homes in the UK<sup>1</sup>.

Central to the net zero transition is the electricity grid and the transmission assets that support it; however, demand for electricity cables is projected to outstrip supply in the second half of the decade<sup>2</sup>. This signals a critical need for increased investment in the UK's power network.

As the largest UK offshore transmission owner, INPP currently owns 11 of the 27 offshore transmission licences granted to date. Offshore transmission owners are considered a resilient and defensive infrastructure sub sector - not least due to favourable regulatory revenues and straightforward operations - and are strongly ESG positive given their role in the UK's energy transition.

LGIM manages over £18bn of private credit investments on behalf of institutional clients globally, investing in the building blocks of society<sup>3</sup>. With over £5bn deployed<sup>4</sup> in infrastructure debt across Europe and North America, LGIM's infrastructure debt capability encompasses the financing of infrastructure assets across four key sectors; energy, transportation, digital and social infrastructure – aiming to provide long-term, stable cashflows through a portfolio of diversified investment-grade and sub-investment grade financings. Alongside this, LGIM has launched its infrastructure equity capability via the Clean Power (Europe) Fund, in collaboration with NTR, a leading renewables specialist – following a successful first-close of €390m last year.

**John Carey, Head of Infrastructure Debt, Europe, LGIM:** “Network resilience is central to how we support the UK's transition to a low carbon, digitally connected society. Transmission assets are therefore critical to facilitate the step-change necessary in meeting our net zero carbon ambitions. Although there is much to do, there is also huge opportunity: the sheer magnitude of capital requirement for the net zero transition represents a historic opportunity for private credit investors.

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<sup>1</sup>[Moray East offshore wind farm.](#)

<sup>2</sup>4C Offshore, via the [Financial Times.](#)

<sup>3</sup>LGIM. Data as at 31 December 2023.

<sup>4</sup>LGIM. Data as at 31 December 2023.

“Investments in transmission assets not only bring significant environmental and social outcomes, but also boast robust and attractive investment characteristics. Future network buildout will likely present an opportunity for investors to gain exposure to long-term assets, vital to the UK’s decarbonisation plans, which also feature long-term cash flow visibility under a stable regulatory regime. We see this as a compelling investment opportunity for institutional investors, such as pension funds and insurers across Europe, and look forward to continuing to grow our infrastructure portfolio. As a long-term investor, we believe we are uniquely positioned to deliver long-term growth, not only for our clients but also society.”

**Jamie Hossain, Investment Director, Amber Infrastructure:** “Celebrating the success of INPP’s latest venture in the offshore transmission sector, we are thrilled to be supported by LGIM who played a pivotal role in securing competitive funding for the Moray East OFTO acquisition. The long-term partnership with LGIM underscores the resilience and vision required to navigate complex infrastructural landscapes, ensuring sustainable growth and energy reliability in the UK for decades to come.”

**Andrew Kail, CEO, LGRI:** “By investing pension fund capital into long-term projects such as the Moray East OFTO, we can help the UK move closer towards the goal of becoming net zero, whilst also delivering attractive returns to help back our pension promises.

“As the global leader in offshore wind energy production, the UK has demonstrated how the combination of private capital investment and long-term commitment can create real structural changes to the economy to help address our energy needs. Wind now accounts for nearly a third of the UK’s electricity generation mix, so projects like these are vital to the future growth and energy balance of the UK.”

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## Key Risk Warnings

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## Notes to editors

### About Legal & General

Established in 1836, Legal & General is one of the UK’s leading financial services groups and a major global investor, with £1.2 trillion<sup>5</sup> in total assets under management of which 40% is international. We have a unique and highly synergistic business model, which continues to drive strong returns. Legal & General provides powerful asset origination and management capabilities directly to clients, which also underpin our leading retirement and protection solutions. We are a leading international player in Pension Risk Transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Our purpose is to improve the lives of our customers and create value for our shareholders. Through inclusive capitalism, we are investing in long-term assets, such as real estate and infrastructure, that can help build a better society for the future.

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<sup>5</sup>Data as at 31 December 2023.

## About Legal & General Investment Management (LGIM)

LGIM is one of Europe's largest asset managers and a major global investor, with total assets under management of £1.2 trillion<sup>6</sup> (\$1.5tn, €1.3tn, CHF 1.2tn). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

For more than 50 years, we have built our business through understanding what matters most to our clients and transforming this insight into valuable, accessible investment products and solutions. We provide investment expertise across the full spectrum of asset classes including fixed income, equities, commercial property, and cash. Our capabilities range from index-tracking and active strategies to liquidity management and liability-based risk management solutions.

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<sup>6</sup>LGIM internal data as 31 December 2023. The AUM disclosed aggregates the assets managed by LGIM in the UK, LGIMA in the US and LGIM Asia in Hong Kong (2018-2019 only). The AUM includes the value of securities and derivatives positions.